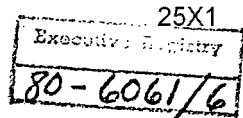


SECRET



13 March 1980

MEMORANDUM FOR THE RECORD

SUBJECT: 13 March Tasking re Current Crises (U)

1. During the 13 March debrief the DCI requested the following actions be undertaken since he must be prepared to discuss/comment on the issues at the next (Tuesday, 18 March) SCC:

- a. A brief paper and talking points dealing with evasion of the grain embargo imposed on the USSR, specifically including:
 - How good is the evidence (and more on what it is) on Hungary's grain transshipments;
 - How are the Soviets going about (mechanically) getting around the embargo (and how successful do we expect they will be in meeting their needs);
 - What do we know about Poland's connivance in any embargo busting (any other "leakages?") (Action: OER)
- b. Secretary Vance is to issue a paper today, 13 March, outlining the issues involved in breaking diplomatic relations (and lesser measures) with Iran. We are to obtain this paper and prepare comments/talking points on it for use by DCI at next Tuesday's SCC (an advance copy, when obtained, should be provided DCI/DDCI for info while comments being developed). (Action: NFAC)
- c. The Attorney General distributed a memorandum at today's SCC on "Options Concerning Vesting of Iranian Government-owned Property." (A copy of this memo is attached.) As in above case comments/talking points the DCI should use next Tuesday are to be prepared. (Action: OER)
- d. At next Tuesday's SCC, DCI would like to suggest the option of taking money from frozen Iranian assets as compensation for holding of hostages (say \$1 M/hostage/day= \$50 M/day). Please provide comment/backup for such a proposal noting if a good idea (and why), and if so how it could work; and if not a good idea (or won't work), why not. (Action: OER)
- e. Note: All of the above items are due to OCO by COB Monday, 17 March, for inclusion in DCI/DDCI Morning Material for Tuesday, 18 March SCC meeting.

25X1

25X1

DOJ Review Completed

SECRET

25X1

SECRET ☐

25X1

2. The DCI noted the proliferation of reports regarding the status of health of the hostages, their numbers and their location. He asked that all possible steps be continued in the analysis and matching of these various rumors, clues, sightings, reports, etc. so that he can, when asked, give our best judgment regarding their condition, numbers and location. (Action: ☐ and DDO) ☐

25X1

3. Please advise PB/NSC when required actions completed. ☐

25X1

☐

25X1

PB/NSC Coordinator

Attachment

cc: DCI
DDCI
DD/NFA
DDO
GC
LC
D/PA
Ch/NIC
DD/CT
C/OCO
ES

-2-

SECRET ☐

12 MAR 1980

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Options Concerning Vesting of Iranian
Government-owned Property

This memorandum outlines issues surrounding possible actions to be taken concerning Iranian Government-owned property, in aid of discussion at the SCC meeting on March 13, 1980. It is intended to provide general information only, and does not analyze the complexities that would surround any of these actions.

I. Without new legislation:

A. Census of Claims. The President could direct the Department of Treasury to conduct a census of private claims presently asserted against Iran, to identify the nature and amounts of claims. This would send the signal that we are contemplating vesting Iranian assets to satisfy those claims.

B. Assumption of Custody. Based on the broad terms of the International Emergency Economic Powers Act, it is arguable that the Government could take custody of all Iranian government-owned assets, without taking title to the assets. (This would require a new executive order.) However, this action probably would not cause any greater prejudice to the Iranians than the present freeze.

II. With new legislation:

A. Seizure of Assets without Claims Program. Congress by statute could authorize the vesting (seizure) of all Iranian government-owned assets. This would vest title to those assets in the U.S. Government. (At present, the IEEPA does not permit vesting of subject property. Under present law, foreign-owned property can be vested only under the authority of the Trading with the Enemy Act, which requires a declaration of

war by Congress. If Congress enacts a general statute authorizing vesting, the President could be given discretion as to the type or amount of property that would be vested (e.g., bank accounts, credits, personal property, real estate).

B. Seizure of Assets with Claims Program. Congress could authorize vesting coupled with a claims program. The legislation should specify whether claimants who have already filed suit and sought to attach Iranian assets will be given priority or whether they will participate equally with all other claimants.

C. Claims Determination without Seizure of Assets. Congress could be asked to enact a law authorizing the formal determination and adjudication of claims by American citizens against Iran (as was done in the 1960's with claims against Cuba and the PRC). Congress could, furthermore, include the determination of U.S. Government claims in such a program.

III. Foreign Effect

Legislation authorizing the vesting of Iranian property would, under principles of international law, not be enforceable against property located abroad. Iranian dollar deposits in U.S. Branch banks abroad could be reached only if foreign courts were to hold that such dollar deposits in U.S. Branch banks are in reality located at the home office of the banks in the United States. That issue is being litigated in English and French courts now with respect to the Presidential freeze order.